Barongpa, Shri Sushil
Bhandare, Shri Murlidhar Chandrakant
Bhardwaj, Shri Hansraj
Bhatia, Shri Madan
Birla, Shri Krishna Kumar
Chavan, Shri S. B.
Chowdhury, Shrimati Renuka
Dard, Shri Jagir Singh
Desai, Shri Jagesh
Dhawan, Shri R. K.
Dutta, Dr. B. B.
Faguni Ram, Dr.
Fernandes, Shri John F.
Ghufran Azam, Shri
Hanumanthappa, Shri H.
Hariprasad, Shri B. K.
Hiphei, Shri
Iqbal Singh, Shri
Jayadevappa, Shri K. R.
Jogi, Shri Ajit P. K.
Kailashpati, Shrimati
Kalmadi, Shri Suresh
Kalyan, Shri Mohindar Singh
Khaparde, Miss Saroj
Kore, Shri Prabhakar B.
Korwar, Shri Gundappa
Lenka, Shri Kanhu Charan
Madni, Maulana Asad
Mahendra Prasad, Shri
Majumdar, Shri Sudhir Rajan
Malaviya, Shri Radhakishan
Manmohan Singh, Shri
Mishra, Shri Shiv Pratap
Mohammad Yunus, Shri
Mukherjee, Shri Pranab
Narayanasamy, Shri V.
Pachouri, Shri Suresh
Parmar, Shri Rajubhai A.
Patel, Shri Vithalbhai M.
Patil, Shri Shivajirao Giridhar
Pillai, Shri Thennala Balakrishna
Ramachandran, Shri S.K.T.
Rao, Shri V. Rajeshwar
Rathwa, Shri Ramsinh
Razi, Syed Sibtey
Reddy, Shri T. Venkatram
Sahu, Shri Santosh Kumar
Sanadi, Prof. I. G.
Sarma, Shrimati Basanti
Satchidananda, Shri
Satya Bahin, Shrimati
Shinde, Shri Sushilkumar Sambhajirao
Singh, Shri Vishvjit P.
Singla, Shri Surinder Kumar
Surjewala, Shri S. S.
Thakur, Shri Rameshwar
Verma, Shrimati Veena
Yadav, Shri Ram Naresh
Yadava, Shri Bal Ram Singh
Yonggam, Shri Nyodek

The motion was negatived.

THE DEPUTY CHAIRMAN: Now, the question is:

That clause 3 stand part of the Bill.

The motion was adopted.

Clause 3 was added to the Bill

Clauses 4 to 6 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI M. V. CHANDRASHEKHAR MURTHY: Madam, I move:

"That the Bill be passed."

The question was put and the motion was adopted.

I. RESOLUTION SEEKING DISAPPROVAL OF THE COFFEE (AMENDMENT) ORDINANCE, 1994, (NO. 1 OF 1994) PROMULGATED ON 14TH JANUARY, 1994.

II. THE COFFEE (AMENDMENT) BILL, 1994

THE DEPUTY CHAIRMAN: Thank you very much. Now after a very strenous discussion on the courts, we have to have some 'coffee' and I put it before

the House. Dr. Jain has moved a Resolution opposing the Coffee (Amendment) Bill, 1994...(*Interruptions*)... I know it is the Coffee Amendment Bill. It was agreed that there would be no discussion on it. Mr. Jain, you are retiring. I am sure, you would like to have an opportunity to take five minutes to speak.

PROF. SAURIN BHATACHARYA (West Bengal): Because he is with drawing or he will withdraw.

THE DEPUTY CHAIRMAN: I am not asking him to withdraw. I am asking him to speak. I think, Mr. Bhattacharya, you should try to listen to what I am saying. ...(*Interruptions*)...Because the dinner ready, I think we finish the coffee so that the Members can go and have dinner... (*interruptions*)... I want you to have coffee first. I hope there are going to be any speeches on it. Mr. Gujral has withdrawn his name. Mr. Balanandan, you should also withdraw your name.

DR. JINENDRA KUMAR JAIN (Madhya Pradesh): Madam, I move:

> "That this House disapproves the Coffee (Amendment) Ordinances, 1994 (No. 1 of 1994) promulgated by the President on the 14th January, 1994."

Madam, there are reasons for my moving the motion of disapproval. You know, I have been moving motions of disapproval quite often and this is probably, the last motion of disapproval during this term of mine. Last time, one of the hon. Members Mr. Murlidhar Chandrakant Bhandare, made a remark that my name should go in the Guinness Book of Records for having moved the maximum number motions of disapproval.

THE DEPUTY CHAIRMAN: Are you doing it for that purpose?

DR. JINENDRA KUMAR JAIN: No, Madam. Let me clarify the position. I am not angling for sending my name in any record. There are other areas where I am trying for that distinction. Madam, I have been persistent in making submissions in this House that we have a democratic polity. Though we have a Constitution which promises that the Executive may issure or may ask the President to issue an Ordinance, such powers should be exercised only in cases which should be the rarest of the rare. Madam, I have reminded the hon. Ministers a number of times...(*Interruptions*)... I am referring to the debates of the State Assemblies...

8.00 p.M.

When Dr. Ambedkar had explained the provision of Ordinance-issuing authority of the President he said that it should be used in matters of urgency. Now in a routine manner an Ordinance was issued to amend the Coffee Act of 1942. If the Government has respect for the institution of Parliament, it should not have resorted to this Ordinance-making power that it has. The Parliament has given the power to the Government. But the Parliament also expects it to use that power only in cases where it is desirable. There is no urgency of any kind. If there is any—they know the peak season when the coffee is coming—they should have thought of doing this in the earlier session. I am opposed to by-passing the Parliament, taking the Parliament for granted and bringing legislation one after another through Ordinances. If you see the record of this Government, during very intersession period so many Ordinances are being promulgated. This is the last time that I make this plea in this House. But so far, I know my plea has failed to evoke any response from the Ministers. But I do make a plea that this Ordinance raj is not a very nice practice and bringing ordinary matters through Ordinances is not a very good parliamentary practicee.

Madam, now I come to the specific provisions of the Coffee (Amendment) Bill. I welcome the substitution of the words "internal sale quota" by "free sale qucta" This is is in confarmity with the liberalisation theme and I have always spoken in this House in

favour of liberalisation, in favour of reforms. But I do want to make a plea I do not agree with the philosophy of our hon. Commerce Minister giving 50 per cent freedom to our farmers and coffee-growers. I would like him to give 100 per cent freedom to our coffee-growers. I have a reason. Now an argument can be made that if 100 per cent freedom is given and not 50 per cent to sell their produce, who the beneficiaries will be. The beneficiaries are our farmers in the State of Karnataka, our farmers in Kerala, our farmers in Tamil Nadu. Somebody asks a question: What will the Coffee Board do? There are other functions for the Coffee Board. They have to do research and development. (*Interruptions*)... Madam, can you restore some order in the House?

THE DEPUTY CHAIRMAN: Unfortunately order can be restored if you are brief. (*Interruptions*)...

SHRI V. NARAYANASAMY (Pondicherry): He is not speaking on the Resolution. He is speaking on the Bill itself. (*Interruptions*) ...

उप-सभापति : आप ज़रा संक्षप में बोल दें तो मैं डेफीनट्ली . . (व्यवधान) आप सब चुप हो जाइए, अभी थोड़ा सा बोल रहे हैं ।

DR. JINENDRA KUMAR JAIN: Madam, I thought when you said that it was my last speech ... (*Interruptions*).

THE DEPUTY CHAIRMAN: It is his last speech. When we have so much consideration for the maiden speech, let us have some consideration for the last speech. Please. (*Interruptions*)... Please dont disturb. Order

DR. JINENDRA KUMAR JAIN: I am trying to state that the concern of the Commerce Minister is: What will be the function of the Coffee Board if 100 per cent freedom is given to the Coffee-growers? I was trying to make some suggestions. There are other functions for the Coffee Board like research and development, quality control and pest control and they continue to do the marketing function like publicity. After all, they don't have to complete with the farmers in the country. There is a competition in the international market as our hon. Finance Minister exhorting the nation. After all, what is the coffee production of our country? We produce 2 lakh tonnes of coffee today. Our internal consumption is about 50,000 to 60,000 tonnes per year. About 1,50,000 tonnes of coffee is available for export. If you see the world scenario, we are not a major player. Brazil and Argentina are producing much more coffee than India is producing. Brazil is producing about 30 lakh tonnes of coffee in a year. Argentina is producing about 10 lakh tonnes of coffee a year. It is much more than what we are producing. Out of this small production, the country is making an export income of about Rs. 400 crores a year. The Government gets a revenue of about Rs. 600 crores to Rs. 800 crores in the form of customs duty and excise duty. If you strengthen our farmers so that they can produce more coffee as Brazil and Argentina are producing then the benefit to our country. Both in terms of export income and customs and excise duties, will be much more. Madam, I am not saying that the Coffee Board should abandon all the marketing duties. I want that the coffee growers should get remunerative prices. Madam, there are auction centres for tea as well as for tobacco. I want that the coffee growers should not be left to the mercy of some traders. The Coffee Board should continue to do the international business. But it should buy coffee from the coffee growers at free market prices, not at monopoly prices. That is my plea. If the Central Government wants to earn export money and if they want to have more revenue, then they should support the coffee growing process. It can be done, if there is hundred per cent freedom. I know that an outgoing voice like mine may not have a large say. My plea to the hon. Commerce Minister is, if he has some consideration for it, then I will be happy to withdraw my motion of disapproval. Thank you.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Madam, I move:

> "That the Bill further to amend the Coffee Act, 1942, as passed by the Lok Sabha, be taken into consideration."

Madam, it is not customary to make any observation while dealing with the points which the mover of the Statutory Resolution raises. But I would like to respond to one point which he has raised, i.e. about the promulgation of this piece of Ordinance. I agree with him that a legislation like this should not normally come through the Ordinance route, that it should have been brought through the normal legislative route. But there was some urgency which has been stated in the Statement of Objects and Reasons. Madam, the coffee season was starting. If we wanted to extend the benefit of free-sale-quota to the coffee growers, then there was need for this Ordinance. It is also known to the hon. Members that the Standing Committee on Commerce also made a recommendation to the effect that it should be done through an Ordinance itself. So, some sort of Parliamentary approval was there, of course, not full in technical terms. I know that we could have done it in this Budget Session also. But had we waited for the Budget Session, then we would have missed the coffee season substantially? On the question whether there should be hundred per cent liberalisation, I have no objection to it. In fact, in reply to the debate in the Lok Sabha I assured the hon. Members that I would like to examine it. I have no hesitation in fully liberalising it. I agree that there should not be this stipulation of 50 per cent. Last year, hon. Members may be aware, we had allowed them to release 30 per cent for internal sale. We have extended this limit to 50 per cent, for external as well as internal sale. Now the growers can export. I fully agree with the hon. Member's vision of having a Coffee Board which would concentrate more on research and on providing extension services to the growers as is done by the Rubber Board or the Tobacco Board. We should practice the auctioning system so that the growers are not victimised due to market manipulations. We have to enssure thot this does not happen. There is not much controversy on this account. I would like to refer to one point raised by a Member of the Standing Committee on Commerce. He said that the Committee was submitting a report on Coffet. I would surely like to examine this report as soon as it is made available to me. With these words, I would request the hon. Members to pass this Bill. I do not want to keep them waiting for their dinner any more.

The questions were proposed.

THE DEPUTY CHAIRMAN: It was agreed that there was nothing much to be discussed. This was taken up in the Business Advisory Committee meeting. I see that Mr. Narayanasamy has withdrawn his name, Mr. Gujral, who is the Chairman of the Standing Committee on Commerce, has also withdrawn his name. Mr. Jain, as he was retiring and as he had tabled a Resolution, was allowed to speak. I have the names of Mr. Kohli and Mr. Raj Gopal. It is not possible to allow two people to speak. Mr. Balanandan, Mr. Saqhy and Mr. Sivaji have also given their names. Mr. Sivaji is absent, Mr. Balanandan. do you still have any doubts—a bean of a doubt?

SHRI E. BALANANDAN (Kerala): I do not dispute the points raised by my friends. I would like to raise only one point. The cocee growers are growing nearly 2 lakh tonnes of coffee. Who are they? They are peoplefrom Karnataka, from Kerala and from Tamil Nadu. What extent of land are they cultivating? May be. one ocre of two acres. Almost 95 per cent of them are poor people. Now they are being given the freedom is exporting? The commercial traders

and the big planters export. I do agree that they must be given 100 per cent freedom to export. That is good. But will the poor peasant have the freedom to cultivate? I do not want to argue the case. I only plead. You have stated that a report was submitted, a study was conducted, according to which, all these measures, if taken, would help the growerss. I would like to know whether you are monitoring what is happening. I know the traders. They are good people. But what do they want? They only want profits. The poor peasants sell their produce for advance money. It will become very difficult for them. Hence, I feel, the Coffee Board has still a role to play. What is that role? It will have to see that the small cultivators are no victimised Karnataka contributes about 70 per cent of the produce. We get about 20 per cent from Kerala and 10 per cent from Tamil Nadu. This is the position. The Government and, especially the Commerce Ministry, must see to it that this business is given adequate support so that they get the right money for their produce. They may get it temporarily. There is an euphoria among them that they have got liberated. But they are going to be liberated from the cultivation itself. That is going to happend. This is my warning. Madam, the second thing is, we know that big producers.. (*Interruptions*)

THE DEPUTY CHAIRMAN: Is coffee grown in the big estates or is it grown by the poor marginal farmers?

SHRI E. BALANANDAN: The coffee growers should get some money If big traders come and control them. they would do it for their own benefits. They will not be concerned about the poor peasants. This is what I was saying.

Madam, we constitute only 3 or 4 per cent of the total production of coffee in the whole world. So, we are nothing in the coffee market. Earlier, we had some kind of a quota system but this was romoved in 1981. So, now, who is going to intervene to ensure that the Indian coffee gets good market? It may be that the traders will be on this job. But what I feel is that in the international competitive market, the Government intervention is necessary, at times, to make sure that our products fetch a good price. These things should be looked into by the Commerce Ministry.

Madam, one more thing. This Bill was passed 52 years back and there was no socialism aspect at that time. So, liberation from socialism, etc., does not come in here. As this Act was passed 52 years back, some changes are required now. The functioning of the Coffee Board has to be streamlined. There are so many obstacles for the peasants in so many ways. I am only saying that the interests of lakhs of poor peasants. who are engaged in this cultivation should not be forgotten in the name of the new liberalised policy and things like that. One more point...

THE DEPUTY CHAIRMAN: How many more points are you going to make?

SHRI E. BALANANDAN: This is my last point. Madam, India is a big country and we are not producing a lot of coffee here; we also consume a lot of it. To our bad luck, all good things that we produce are being exported with super care and we get the rest only. That is the understanding that we have. Therefore, Madam, coffee promotion has to be done by the Government through the Coffee Board or any other agency so that our growers can prospes and our country may get money by way of Excise duty, etc. That is all. Thank you.

SHRI O. RAJAGOPAL (Madhya Pradesh): Thank you, Madam. Even though this is a halting measure, a half-hearted one, I still welcome it because it is in the right direction. Out of 1.20 lakhs of the coffee growers, 95 per cent of them are small growers. There have been a number of representations from these small growers who have been demanding that they should

be given the freedom to sell their produce wherever they want. Now what happens is that when the Coffee Board purchases it, they are being given Rs. 1,200 per tonne only whereas if the growers are able to sell it in the open market, they can get Rs. 1,600 per tonne. Even this Rs. 1,200 they don't get it in time; it is only after several months that they get it. Therefore, they all feel that they should have the freedom to sell their produce wherever they like. And what we demand is that they should be given full freedom to sell the whole of their produce. Now they will be allowed to sell 50 per cent only. I am afraid that this concession of selling 50 per cent is also somewhat notional in the sense that Section 22 of the Act says that the Coffee Board would estimate what the produce was and then says, "You please sell 50 per cent first to the Coffee Board". This would mean that the farmers may not, actually, be able to sell 50 per cent of their produce. Therefore, I am saying that the small farmers should be allowed to sell the entire quantity. Thank you, Madam.

SHRI T. A. MOHAMMED SAQHY (Tamil Nadu): Madam, I will take only a few minutes.

Madam, the entire gamut of coffee operations including its cultivation, growth, trade, and export is controlled by the Coffee Act, 1942, as amended and the rules framed thereunder. And by this amendment Bill, an opportunity has been given to the coffee growers to sell 50 per cent of their produce in the open market. I suggest that the percentage of 50 of coffee produce to be sold by FSQ should be increased to 100 per cent. There is good scope to grow coffee in Tamil Nadu, and we have to encourage that.

Madam, I want to point out the dangers involved in the Coffee (Amendment) Bill, 1994, as it would affect the coffee growers adversely in the long run. I fear that this amendment may help the big growers and traders only. The growers were allowed to sell 30 per cent in the internal market in the year 1992-93 only. And if the price goes down, there will be no effort on the part of the Coffee Board to intervene in the market. This helplessness should be avoided. By this amendment Bill which has been brought forward by the Government, around one thousand employees of the Coffee Board have become jobless. I would request the Government to consider all these aspects and make consequential amedments in this itself. I would urge upon the Government to protect the interests of the small growers and coffee workers from the private parties.

Taking advantage of participating in this discussion, I urge upon the Minister to consider exploring the possibilities of growing coffee in the northern districts of Tamil Nadu, namely North Arcot-Ambdekar and Sambuvarayan districts. Elagiri-Jarvad hills and Yercaud hills are suitable for coffee plantation.

Madam, the Government tried to promulgate this Ordinance to give some support to the growers. Unfortunately, after this Ordinance was promulgated, the confrontation between the growers and the Coffee Board has started. That is the whole crux of the problem. I would like to mention that though you have made a provision under Section 20 to give 50 per cent free sale quota, the officers are insisting on first surrendering 50 per cent off the internal sale quota to the Board, and till then they are not going not give permission for the free sale quota. This has led to a confrontation between the growers and the Coffee Board. The growers are hesitating to do that. There is some attractive price in the open market on the free sale quota. So, there is a lot of corruption, harassment, confrontation, and the object which you intended to achieved while you promulgated this Ordinance will not be achieved, though it is for the benefit of the farmers.

Madam, finally the grower had no choice in choosing the curer. They have to go to the curer. They have been licenced. In this regard, there are complaints against ensuring works. There were complaints about misappropriation of pool funds and that of stocks.

Madam, the Coffee Board should go in for purchases of coffee at the declared support price. This measure would help the small coffee growers before the regine of cent per cent free sole quota ushers in. Under the provisions of the Coffee Act, the coffee growers are required to surrender their produce to the Coffee Board so that the latter can conduct auctions to release coffee for market home and abroad.

Madam, the amendment Bill has not been comprehensive because the coffee growers are still at the mercy of the Board. Still the Board has the curing system and the sale. And the recommendation of the Standing Committee on the Coffee Act should be immediately implemented. The Minister has assured that it will be implemented. I request that it should be implemented.

THE DEPUTY CHAIRMAN: Dr Sivaji is not here. Now the hon. Minister.

SHRI PRANAB MUKHERJEE: I appreciate the interest of the Members for coffee and even they can delay their dinner but I would not like to make them have their dinner so late.

Only two or three points are there which the hon. Members have raised, particulraly Mr. Balanandan. I am afraid, he has not understood the spirit of the Bill properly. It is nobody's case that the Coffee Board will not have any role at all. The Coffee Board will, of course, continue to provide necessary services including even auctioning so that the farmers do not become a victim to the market manipulations. I have already referred to that point while responding to Dr. Jain. In fact, coffee promotion is also being done by the Coffee Board to make Indian coffee popular both in the internal market and the external market. At the same time, one will have to appreciate that we cannot run with the hare and hunt with the hound. If you want to have liberalisation, you will have to ensure that, to some extent, the people are not exploited. But at every stage you cannot have the regulations and controls and, at the same time, have liberalisation. This is simply not possible. Therefore, I can assure him that the role of the Coffee Board as a monitoring organisation will be there. But we would like to have the least monitoring. If somebody wants to exploit the grower, of course, the Coffee Board will intervene, and their is why the whole scheme of auctioning and now the unified auctioning scheme will help them. So far as the small grower is concerned, the Government has left it to him. He can sell 100 per cent to the Coffee Board. There iss no bar. We have made it 50 per cent this year because I would not like to jump to 100 per cent without first having tested the scheme. For 40 years, it was totally controlled and not an ounce was sold in the market. Last year, we allowed 30 per cent for internal sale and this year we have allowed 50 per cent both for internal and external sale. Therefore, there is a graduation and if, as I mentioned earlier, I find that this scheme is working well, I will have no hesitation to give them 100 per cent freedom to sell wherever they want.

In regard to the extension, whether you want horizontal extension or you would like to concentrate more on having a higher yeild per hectare, I think our effort should be to have a higher yeild per hectare because the major reason why we are able to make a dent is that factor. Our productivity is low. So, we shall hove to concentrate on research and development for having high-yielding varieties of seeds and new technology so that yield per hectare improves.

So far as the international area is concerned, the hon. Members are well aware that the whole thing collapsed. The international coffee organisation is not in a good shape. But fortunately for us now, both the domestic prices and the international prices are firming up and I can assure the hon. Members that the growers are taking full advantage, and that is will the quantity which should have come to the Coffee Board under the pool system, is much

less because growers are getting good prices in the market and they are taking advantage of it.

So far as the asssessment is concerned, assessment is not made by the Coffee Board officers. It is base on the assessment given by the growers themselves.

With these words I hope that the House will endorse this Bill and it will get the support of the hon. Members, without any division.

THE DEPUTY CHAIRMAN: I shall first put the Resolution moved by Dr. Jain to vote.

DR. JINENDRA KUMAR JAIN: The normal practice is that I should also be given the right of reply, which I am not exercising. And in view of the assurance given by the hon. Minister, I withdraw my Resolution.

The Statutory Resolution was, by leave, withdrawn.

THE DEPUTY CHAIRMAN: I shall now put the motion moved by the Minister to vote. The question is:

That the Bill further to amend the Coffee Act, 1942, as passed by the Lok Sabha, be taken into consideration,

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause-by-clause consideration of the Bill.

Clauses 2 to 15 were added to the Bill

Clause 1, the Enactng Formula and the Title were added to the Bill.

SHRI PRANAB MUKHERJEE: Madam, I move:

That the Bill be passed.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: We have two things to do now. One is the Mines and Minerals (Regulation and Development) Amendment Bill. Then, we have the Appropriation (Vote on Account) Bill, 1994, and the Appropriation Bill, 1994. In the case of these two Bills, as it was decided that there would be no discussion, I think we should dispose of these two Bills first and then we can go ahead with the other one. Now, I would ask the hon. Finance Minister to move the two Appropriation Bills.

I. THE APPROPRIATION (VOTE ON ACCOUNT) BILL, 1994.

II. THE APPROPRIATION BILL, 1994.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Madam, I beg to move.

That the Bill to provide for the withdrawal of certain sums from and out of the Consolidated Fund of India for the services of a part of the financial year, 1994-95, as passed by the Lok Sabha, be taken into consideration.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause-by-clause consideration of the Bill.

Clauses 2 to 4 and the Schedule was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI MANMOHAN SINGH: Madam, I beg to move:

That the Bill be returned.

The question was put and the motion was adopted.

THE DEPUTY CHAIRMAN: The hon. Finance Minister to move the Appropriation Bill, 1994.